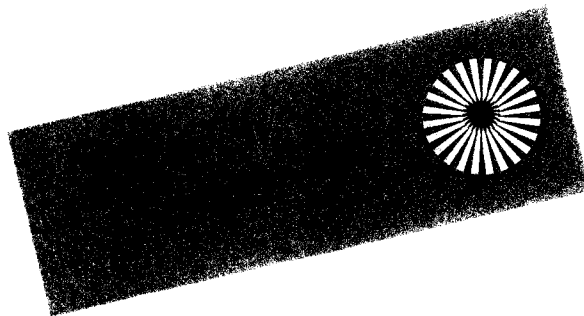
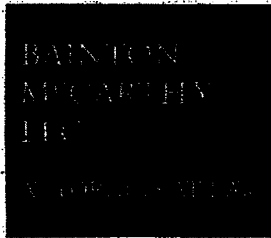


EXHIBIT 5





26 BROADWAY
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(212) 480-9557 FACSIMILE
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November 21, 2008

J. JOSEPH BAINTON
(212) 480-2529
bainton@baintonlaw.com

VIA E-MAIL & FEDEX

Gary J. Mennitt, Esq.
Jonathan D. Perry, Esq.
Dechert, LLP
1095 Avenue of the Americas
New York, New York 10036

Re: Petition for Relief of Forfeiture
U.S. v. Israel III, 05-Cr-1039 (CM);
Bayou Management LLC v. Nichols, et ano., 08-Civ-6036 (CM)

Dear Gary and Jonathan:

We are producing herewith documents bates labeled NICHOLS 00478 through NICHOLS 00498 in response to Request No. 6 of Plaintiff Bayou Management LLC's First Request for the Production of Documents and Things ("Bayou's Document Requests"). Below is an executive summary tracking the \$10 million at issue in round numbers:

- \$1.4 million dispersed to third parties involved in obtaining Box No. 13302705; Serial NO. C1330270; S.C. No. 3040-20; P.D. NO. 844;
- \$1.5 million expended to purchase real property located outside of Prescott, Arizona;
- \$1 million expended to make improvements on the Prescott property, which is owned by a trust, of which Mr. Nichols is the sole beneficiary;
- \$1 million loaned as a personal loan to a long-term acquaintance, which is expected to be repaid within less than 12 months;
- \$1 million expended by the Nichols to maintain four residences, travel, and pay ordinary living expenses, i.e., approximately \$250,000 per year for 2004 through 2008;
- \$1 million lost by investing in a project to purchase and then resell gold bullion;
- \$2 million in the Nichols's bank account in Singapore (which has been effectively seized by the Government); and
- \$1 million in the Nichols's HSBC account in London (which has been effectively seized by the Government).

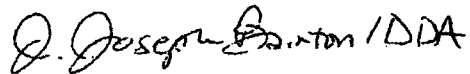
Gary J. Mennitt, Esq.
Jonathan D. Perry, Esq.
November 21, 2008
Page 2

The Nichols do not have available to them any of the more detailed underlying documents, but Mr. Nichols can certainly provide a more fulsome explanation at his deposition.

In further response to Request No. 7 of Bayou's Document Requests, we confirm that no responsive documents exist as Mr. and Mrs. Nichols have not filed tax returns for the year 2004 or for any other year relevant to these consolidated proceedings.

With best regards, I am,

Very truly yours,

A handwritten signature in dark ink, appearing to read "J. Joseph Bainton / DDA". The signature is fluid and cursive.

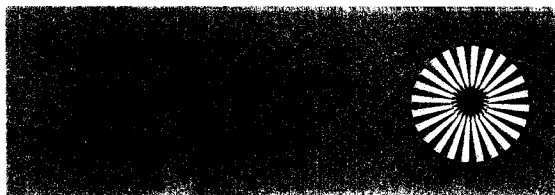
J. Joseph Bainton

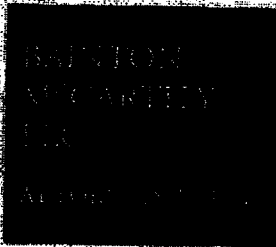
Enclosures

cc (via e-mail w/ enclosures.):

Sharon Cohen Levin, Esq.
Jeffrey Alberts, Esq.
U.S. Attorney's Office
Southern District of New York
One Saint Andrew's Plaza
New York, New York 10007

EXHIBIT 6





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November 26, 2008

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VIA E-MAIL

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Jeffrey Alberts, Esq.
United States Attorney's Office
Southern District of New York
One Saint Andrew's Plaza
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Gentlemen:

As promised, Deana and I spent about seven hours Monday with Martin Simon and on the telephone with Bob and Ellen Nichols to discuss the several issues you raised during our telephone conversation last Friday afternoon. By the time I got back to my hotel Monday night around nine, I did not have the energy to write this letter. I must be getting old. I am composing this letter on the plane.

As a caveat, I want to point out that I am sending this without Bob or Ellen having an opportunity to review it. I am confident that the information I provide is materially accurate, but I want to make plain that any minor discrepancy between this letter and their sworn testimony should be attributed to Deana's and my failure to comprehend some rather complex facts fully. So, in no particular order, I address the various topics about which we spoke last Friday.

1. HSBC Account Information

When the Government first "froze" the HSBC account, the Nichols experienced great difficulty learning why their funds were frozen. HSBC employees (with whom they had been doing business since at least 1996) told them simply that they were not permitted to speak with the Nichols. One person apologized, but still refused to provide any information.

Gary J. Mennitt, Esq.
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Jeffrey Alberts, Esq.
November 26, 2008
Page 2

Over a period of time the Nichols were ultimately referred to a British law enforcement officer. That officer asked Mr. Nichols if he would be willing to be interviewed by the FBI. Mr. Nichols indicated that he would be willing. Although much more than a year has passed since this conversation, Mr. Nichols has not been approached by the FBI.

The same British law enforcement person told Mr. Nichols that he should not attempt to enter the United Kingdom until he had "cleared this matter up." Obviously, the Nichols' filing of a 363(n) petition represents a good faith effort to clear these matters up.

Thus the Nichols are unable to obtain any records from HSBC and are also unable to retrieve from their London original records that are maintained there given the British admonition against attempting to enter the country.

The only thing the HSBC will provide the Nichols is account statements, which we have already produced to you. Those statements reflect many direct payment orders. We cannot help but wonder if the Government has obtained copies of those orders. Has it?

Finally, one of you asked about a \$5 Million withdrawal. That withdrawal was transferred to ODL Securities and subsequently returned in two installments.

2. Standard Charter Account

The situation with the Standard Charter account in Singapore is the same as HSBC in the sense that the bank will not deal with the Nichols. It is distinguished from HSBC in the sense that once Israel money was deposited, it was not withdrawn.

3. Payments to Third Parties Relating to the "Box"

Whatever records Mr. Nichols has regarding payments to third-parties for services rendered relating to the ultimate delivery of the "Box" to Mr. Israel and related matters are located in London and cannot be produced for the reason explained above.

4. The \$1 Million Bullion Loss

We are producing today an early draft of the Bullion contract that Martin Simone was able to locate among his papers. The final contract was modified in certain respects and is located in London. At his deposition, Mr. Nichols can explain the changes and the reasons for the loss of his investment, which is a rather complicated explanation.

5. The Arizona Property

We will be producing today comprehensive paperwork relating to the acquisition of that property for slightly in excess of \$1.5 Million.

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Jonathan D. Perry, Esq.
Jeffrey Alberts, Esq.
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Page 3

There is a banker's box of documents reflecting payments to trades people for renovations and improvements of that property. It is located in Arizona and accessible only to Mr. or Mrs. Nichols. Since Mrs. Nichols cannot travel, Mr. Nichols will stop in Arizona on his way to his deposition and collect this box.

We would prefer to simply let you look at the originals of these documents rather than copy or image all of them. Frankly, neither the Government nor Bayou can have any reasonable expectation of recovering payments to roofers, plumbers, carpenters and the like who provided real value in exchange for these payments.

6. The Nichols' Living Expenses

We expect to be able to produce a copy of the renewal lease for the Nichols' London flat and documentation associated with the annual cost of their Hawaii residence. In addition, we think we can produce documentation regarding fees to the Arizona care taker and other rather plain vanilla expenses associated with maintaining that property.

In addition, we anticipate being able to produce several years of American Express bills.

While these documents will not be entirely complete, they should amply support the Nichols' contention that their annual living expenses for the last four years averaged \$250,000 per annum thus explaining a \$1 Million depletion from the funds transferred by Mr. Israel.

As is the case with payments to Arizona trades people, your clients can have no reasonable expectation of recovering mortgage, rent or AMEX payments to these third-parties.

7. The Million Loan

The documentation relating to the \$1 Million loan is located in London. Mr. Nichols is attempting to obtain acknowledgement of this loan from the obligor, who travels internationally and from time to time is difficult to reach.

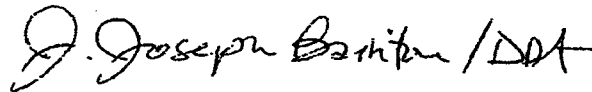
Gary J. Mennitt, Esq.
Jonathan D. Perry, Esq.
Jeffrey Alberts, Esq.
November 26, 2008
Page 4

8. Correction

I want to correct one misstatement of fact contained in my last letter to you. During the relevant period the Nichols have had only three – not four – residences. When I learned that Mrs. Nichols was recuperating in the Los Angeles area I incorrectly assumed that the Nichols, both of whom were raised in the Los Angeles area, still had a place there. I was wrong. Mrs. Nichols is recuperating at her parents' home in the Los Angeles area following her surgery there. I apologize for the error.

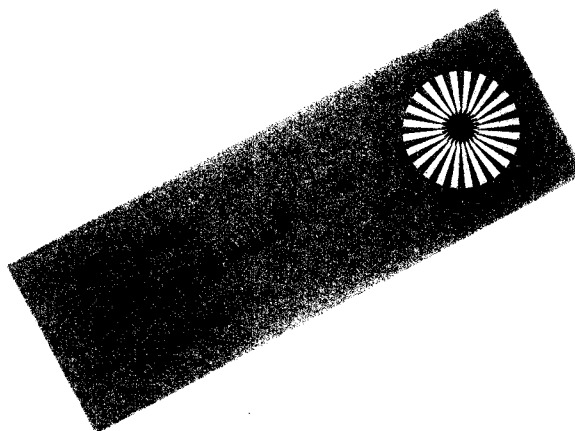
With best regards to each of you, I am,

Very truly yours,

A handwritten signature in cursive script that reads "J. Joseph Bainton / DDT".

J. Joseph Bainton

EXHIBIT 10



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jbainton@sgrlaw.com

December 3, 2008

VIA E-MAIL

Gary J. Mennitt, Esq.
Jonathan D. Perry, Esq.
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Jeffrey Alberts, Esq.
Sharon Cohen Levin, Esq.
United States Attorney's Office
Southern District of New York
One Saint Andrew's Plaza
New York, New York 10007

Re: Petition for Relief of Forfeiture
U.S. v. Israel III, 05-Cr-1039 (CM);
Bayou Management LLC. v. Nichols, et ano., 08-Civ-6036 (CM)

Dear Gentlepeople:

I write to provide you with additional information you have sought.

The acquaintance to whom Mr. Nichols loaned approximately \$1 Million is Frank F. Faryab, Old Manor House, 6 Oxford Street, Malmesbury, Wiltshire SN16 9AX, United Kingdom. His telephone number is 44-07939-824-053. Mr. Nichols has not yet been able to obtain from him a document confirming the loan. The funds were disbursed from the HSBC account.

The third-parties receiving funds relating to the "Box" were:

Steven S. Hickok, London



Atlanta, Georgia | Frankfurt, Germany | Jacksonville, Florida | New York, New York | Washington, D.C.

Gary J. Mennitt, Esq.
December 3, 2008
Page 2

Tan Sri Teong, London and Hong Kong

Michael J. Cleverly, Amerex Security, London

Robert S. Clarke, Vizards Tweedie Solicitors, London

Wilhelm Dieckmann, Odenburg, Germany

David Bizzell, Nacoma, London

Bernie O'Neill, Knightsbridge, London

John W. Cook, Heyworth LTD, East Sussex, United Kingdom

All of these transfers are reflected in the account summaries from HSBC that we have previously produced. We are today writing HSBC to again try to obtain the documentation (pay orders) relating to the transfers to these individuals and to Mr. Faryab.

If we can through a cooperative effort obtain the transfer orders from HSBC Mr. Nichols is confident that he can trace materially every dollar of the \$10 Million. Judge McMahon's suggestion that he engage British counsel to collect records, which Mr. Nichols is not certain are complete and are stored in various secure locations, is not remotely as practical as the parties getting a complete set of the records from HSBC. I again ask if the Government or Bayou already has those HSBC records and would appreciate a direct answer to a direct question.


As previously reported, Mr. Nichols will pick up the box containing bills and canceled checks for improvements to the Arizona property on his way to his deposition.

On next Tuesday we anticipate being able to produce documents corroborating the Nichols' living expenses over the last four years that were funded from proceeds of the Israel payment and also disbursed from the HSBC account.

Finally on a different topic, we would appreciate being informed this week where and when the Government is going to make Mr. Israel available for his deposition.

With best regards to each of you, I am,

Very truly yours,



J. Joseph Bainton

JJB/1392